

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Saugus Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: July 16, 2021

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on average on November 15 of each fiscal year. The schedule is effective in FY22 (since the amount under the prior schedule was maintained in FY22) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.25% to 7.0% and a slight adjustment to the fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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Enc.



Saugus Retirement System
January 1, 2021 Actuarial Valuation

Total Cost increasing 5.2% per year until FY26 with a final amortization payment (non- ERI) in FY27

<u>Fiscal</u> <u>Year</u>	<u>Normal</u> <u>Cost</u>	<u>Net</u> <u>3(8)(c)</u>	<u>Amort. of</u> <u>UAL</u>	<u>Amort. of</u> <u>2002 ERI</u>	<u>Total</u> <u>Cost</u>	<u>Unfunded</u> <u>Act. Liab.</u>	<u>% Change</u>
2022	2,604,372	75,000	4,943,447	239,790	7,862,609	26,200,077	
2023	2,721,569	75,000	5,227,912	246,984	8,271,465	22,625,201	5.2%
2024	2,844,040	75,000	5,528,148	254,393	8,701,581	18,495,727	5.2%
2025	2,972,021	75,000	5,845,016	262,025	9,154,063	13,756,152	5.2%
2026	3,105,762	75,000	6,179,426	269,886	9,630,074	8,346,180	5.2%
2027	3,245,522	75,000	1,710,572	277,983	5,309,076	2,200,339	-44.9%
2028	3,391,570	75,000		286,322	3,752,892	279,240	-29.3%
2029	3,544,191	75,000			3,619,191	0	-3.6%

All amounts assume payments will be made November 15 of each fiscal year.

Normal Cost includes expenses of \$650,000.

Normal Cost increases 4.5% per year.

FY22 appropriation was maintained at the same level as the current schedule.